

## Message Text

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12

ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 SPC-03 AID-20 NSC-07 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 PA-04 PRS-01 USIA-15 DRC-01 /155 W

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R 271920Z MAR 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 5834

INFO USDOC WASHDC

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DEPT PASS TREASURY

E.O. 11652: N/A

TAGS: EFIN, AR

SUBJECT: BANK RENATIONALIZATION

REF: BA-2055

1. MARCH 25, GOA ISSUED DECREE 889 REGULATING VARIOUS ASPECTS  
BANK NATIONALIZATION LAW 20-522.

2. DECREE STATES THAT AMOUNT OF INDEMNITY WILL BE SET IN ONE  
OR MORE FUTURE DECREES. BASIS OF VALUATION WILL BE SEP 30  
NET WORTH, "PLUS ADJUSTMENTS" FOR FOLLOWING BANKS: BANCO  
ARGENTINO DE COMERCIO (CHASE), BANCO ARGENTINO DEL ATLANTICO  
(FNCB), BANCO FRANCES DEL RIO DE LA PLATA (MORGAN), BANCO  
POPULAR ARGENTINA (SPANISH CENTRAL BANK). THREE BRANCHES  
ALSO SUBJECT TO NATIONALIZATION ARE: ROSARIO BRANCH, BANCO  
DE SANTANDER; CORDOBA BRANCH, BANCO DE SANTANDER; BAHIA  
BLANCO BRANCH, FNCB. INDEMNITY FOR ALL NATIONALIZATION TO BE  
PAID IN CASH.

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3. DECREE STIPULATES CENTRAL BANK WILL BE CHARGED WITH

SELLING BANKS AT PUBLIC AUCTION. GOVERNMENT INSTITUTIONS AND ENTITIES, NATIONAL BANKS, AND OTHER NATIONAL NON-BANK FINANCIAL INSTITUTIONS AND OTHER QUALIFIED INVESTORS ARE ELIGIBLE TO MAKE OFFERS. REPORTEDLY, GOMEZ MORALES HAS STATED PUBLICLY THAT FOREIGN ENTITIES WILL BE PERMITTED TO REPURCHASE UP TO 20 PERCENT OWNERSHIP.

4. COMMENT: DECREE ENDS SPECULATION THAT BANKS INVOLVED MIGHT BE ABLE TO TRANSFORM THEMSELVES INTO LOCAL ENTITIES BY SELLING SHARES DIRECTLY TO PRIVATE NATIONAL INVESTORS WITHOUT GOING THROUGH FORMAL EXPROPRIATION PROCEDURES. LOCAL BANKS STILL HOPEFUL THAT INDEMNIZATION FIGURES WILL BE FAIR. ONE IMPORTANT ISSUE NOW IS WHETHER PUBLIC AUCTION WILL BE FREE AND COMPETITIVE, OR WHETHER BANKS WILL BE SOLD TO PRIVILEGED PARTIES ON POLITICAL BASIS.  
HILL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, BANKS, INDEMNIFICATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BUENOS02213  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740067-0139  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** BA-2055  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04 SEP 2002 by boyleja>; APPROVED <05-Sep-2002 by MorefiRH>  
**Review Markings:**

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US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BANK RENATIONALIZATION  
**TAGS:** EFIN, AR  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005